WISYNCO GROUP LIMITED

Corporate Head Office: Lakes Pen Road, Spanish Town, Saint Catherine, Jamaica, W.I.
Tel: (876) 665-9000

	QUESTION	RESPONSE
i)	Orrette Staple: The manufacturing of foam products being banned by the government led to a loss of $115 million. How does the IFRS requirements protect our company in this catastrophe.	Andrew Mahfood: Mr Staple is alluding to the fact that once the plant was slated to shut down, the Company had to compile all associated costs and impair them. Therefore this became an expense in the second quarter of the 2020 financial year. The loss has been booked and accounted for.
ii)	Orrette Staple: why is it that when adjustments are made to lease payments the lease liability is reassessed and adjusted against the right of use assets?	Andrew Mahfood: The IFRS standard changed so lease assets are recorded and recognized on the financial statements, the right of use asset. And the corresponding liability is brought on to the balance sheet as a liability, the asset is then amortized as any other asset would be and once the lease liability is paid it then goes down.
iii)	Orrette Staple: in 2019 total revenue earned was 27.7 billion, expenses was 24.8 billion, giving us net profit of 2.9 billion. Of every revenue dollar earned it costs us 89 cents, giving us a profit of 11 cents. In 2020 total revenue earned was 32.8 billion and total expenses 30, giving us a net profit of 2.8 billion. Of every dollar earned of revenue it costs us 91 cents given us a profit of nine cents. Incrementally we earn 5.1 billion in 2020 verses 19 that cost us 5.2.	William Mahfood: the reduction in expenses in relation to the decline in sales would have had an impact on our profitability, so that our profitability or net profit after tax as a percentage of revenue actually increased in our first quarter versus the prior year. Similarly, with the final quarter of our financial year ended in June 2020 with the significant reduction in revenue and the company been geared up for the level of sales that we had planned to do the impact was on our profitability and thereby impacted net profit as a percentage of revenue.
iv)	Orrette Staple: what accounts for the high level of obsolete inventory and what measures are in place to reduce or eliminate this?	Andrew Mahfood: the obsolete inventory in FY20 was 10.5 million which is significantly lower than the 18.5 million for FY19. Wisynco has a very good handle on what it imports and what it also uses in its production process During the pandemic, there was a slow-down on what could be produced which could account for some of this figure. There were some inventories tha.t became obsolete. However, 10.5 million compared to our turnover of 32 billion is not bad.

v)	David Rose: Is Wisynco still planning to go ahead with its plan to open a new distribution centre on the west side of the island? If this plan is delayed, what is the new timeline for this project.	Andrew Mahfood: yes, it is still a plan to do so and we had identified a location last year, however as the pandemic still continues to affect the island, management felt it best to be conservative and focus on meeting market demand. Management will return to look at this expansion at the end of this year.
vi)	Michael Edwards: what are some of the areas the company is looking towards re acquisitions and also is the Company looking to export to the continents of Africa and South America?	William Mahfood: exports grew 43% in the last financial year. The pandemic has given the Company the ability to squeeze out export opportunity which has done well in the US, Canada and the UK. Africa and South America and challenging markets to access. We are looking at every opportunity, but the main focus is on the markets we already exist in.
vii)	David Rose: could Wisynco elaborate on the Anheuser Busch agreement and say how this agreement will benefit the Company in the next 2 to 3 years.	William Mahfood: we were recently advised that the Anheuser Busch manufacturer was having a challenge in supplying the Jamaican market. We do not yet have a timeline on supply or when it will be impacting the business.
viii)	David Rose: can you quantify the savings experienced by the LNG plant?	Andrew Mahfood: the last 6 months have demonstrated that the pay back period for this investment will be about 3 years. The energy cost per kilowatt hour has been reduced by 5 cent per kilowatt hour.
ix)	David Rose: how has Wisynco continued to effectively reach customers with the lack of events and schools?	William Mahfood: we have been placing focus on smaller customers through the full service model. There has been tremendous growth in this area even during the pandemic. We have been able to meet volumes by selling directly to small customers. We will continue this as a focus.
x)	Haughton Richards: what are the medium term acquisition targets for the company?	William Mahfood: the company has a lot of cash available and continues to look at opportunities. With the guidance of the Board and the Management team, there should be a tremendous pipeline of innovation and acquisition in the future.
xi)	Stuart South: what is the company's manufacturing capacity for the local market?	Devon Reynolds: presently we have excess capacity of about 40%. William Mahfood: this gives us the ability to expand our exports even further.

xii)	David Rose: has Wisynco been spending more on its distribution channels, such as on new equipment and trucks to seize new deals?	Andrew Mahfood: yes, this is something we do and look at every year as a part of our build-out plan.
xiii)	David Rose: Would Wisynco ever consider having a potential share buyback plan to reduce units in circulation, especially seing as the company stock price might remain stagnant for some time?	Andrew Mahfood: yes, although we are not sure when this could happen, it is something we are watching. When the opportunity presents itself we would make necessary protocol announcements.
xiv)	Matthew Hewie: are there any plans to increase the export footprint in North America and South America?	William Mahfood: mentioned this earlier, we are definitely expanding our footprint in North America however the South American market is very competitive and it would be more difficult to expand there.